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U.S.-Soviet Rift on Spying, Arms Widens As 5 American Aides Told to Quit Moscow

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WASHINGTON—The U.S.-Soviet war of nerves escalated over U.S. efforts to curtail Moscow's espionage activity and President Reagan's refusal to accept sharp restrictions on his Strategic Defense Initiative in return for reductions in offensive weapons.

Soviet leader Mikhail Gorbachev angrily criticized Mr. Reagan in a Moscow television speech and retaliated for this week's U.S. expulsion of 55 Soviet diplomats by kicking out five more American officials from Moscow.

Western Soviet-watchers believe Mr. Gorbachev's unusually tough speech reflected both frustration at the U.S. action and concern about the unexpectedly strong support, both in the U.S. and among the European allies, for Mr. Reagan's arms-control positions.

Senior Reagan administration officials claimed the U.S. expulsion of Soviet personnel, coupled with an earlier order to 25 Soviet United Nations diplomats to leave the U.S., has dealt a crippling blow to Soviet intelligence operations in this country.

The U.S. action reduced the level of Moscow's U.S. Embassy to that of Washington's Moscow mission.

The expulsions have stripped the KGB and the GRU—the chief Soviet spy agency and Soviet military intelligence, respectively—of almost all their top officers in the U.S., the U.S. officials said. Among those who have been ordered to leave, the officials said, are the KGB "residents," or station chiefs, in three U.S. cities and the GRU chief and all three of his deputies in Washington.

The U.S. officials conceded, though, that Moscow still has hundreds of spies in the U.S. "They're not out of business yet," said one official.

Moscow, besides expelling the five additional U.S. diplomats, yesterday also ordered that 260 Soviets working for the U.S. Embassy in Moscow and the U.S. Consulate in Leningrad be withdrawn from their jobs. That will significantly disrupt U.S. diplomatic operations by removing workers ranging from drivers and cleaning ladies to laborers who unpack the 20,000 pounds of meat delivered from the West each year.

Despite the recriminations over diplomatic personnel, both sides continued to stress that they want to build on what they described as the unprecedented progress on arms control achieved at the Iceland summit meeting between Mr. Reagan and Mr. Gorbachev. U.S. officials even suggested that they were relieved that Moscow hadn't expelled a large group of U.S. diplomats—a decision they interpreted as signaling that the Soviets didn't want the dispute over diplomatic personnel to continue interminably and disrupt relations too seriously.

Mr. Gorbachev, in his television address, asserted that the Reagan administration isn't "ready" for progress in U.S.-Soviet relations. He accused the U.S. of trying to block progress that could stem from the Iceland summit, citing the U.S. expulsion of Soviet diplomats as an example.

"Every time, when there seems to be a little bit of light in improving the major issues in Soviet-American relations . . . there is a provocation which is aimed at trying to cut off any kind of a real conclusion," Mr. Gorbachev contended.

Senior U.S. officials insisted that the expulsion of 55 diplomats from Soviet missions in Washington, New York and San Francisco had nothing to do with arms-control talks. They said they had to kick out the Soviet personnel because they had warned Moscow some time ago the U.S. would take such action if Moscow retaliated for the earlier expulsion of its U.N. officials.

Some U.S. officials noted that recent defections of U.S. spies to Moscow have seriously impaired U.S. intelligence operations in the Soviet Union. As a result, they suggested, Soviet retaliation for the latest expulsion couldn't cause much additional damage to the U.S.

Senior officials told a group of reporters at the White House that the latest U.S. action will seriously impair Soviet espionage in the U.S. for years to come by depriving Moscow of most of its senior spies in this country. "This is probably the end of an era when it comes to Soviet operations in the United States," said one. "This has to be a crushing blow to their intelligence operation."

Meanwhile, West German Chancellor Helmut Kohl told President Reagan that the U.S. proposal at the Iceland summit to

eliminate ballistic missiles could leave Western Europe vulnerable to Soviet superiority in conventional forces.

Mr. Kohl told a news conference in Washington that the superpowers should put the issue of conventional forces "on the table at the same time" as they negotiate reductions in nuclear forces. He said allied deterrent policy otherwise would "be deprived of its credibility."

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